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SUBJECT: MEETING WITH SRI LANKAN DEFENSE SECRETARY ON
PARAMILITARIES AND RECENT DONOR GROUP VISIT TO TRINCOMALEE

Classified By: Ambassador Robert O. Blake, Jr. for reasons 1.4 (b) and (d).

(C) Ambassador and EU Head of Mission Wilson met with Defense Secretary Rajapaksa on November 13 to present a list of incidents reported by NGOs operating in eastern Sri Lanka in the last year perpetrated by the paramilitary Karuna Group. Secretary Rajapaksa admitted such incidents were still occurring, but noted that the government is making a concerted effort to stop them and has made progress. Rajapaksa said he had met with Pillayan (a Karuna group commander who recently split with Karuna) the previous day to urge him to stop his illegal activities. Rajapaksa said he had been impressed with Pillayan's knowledge of local economic conditions and felt Pillayan was someone who could play a constructive role. Wilson also presented to Rajapaksa the summary (see paragraph 8) of a report prepared by the EU, U.S. and Germany on a Bilateral Donor Group visit to Trincomalee in early November, led by Wilson and including USAID Director Rebecca Cohn. Wilson said the BDG found that although the situation is more stable than in the period of open warfare in 2006, it remains unstable and is at risk of slipping backwards. There is a narrow window of opportunity for peace and reconstruction in the east, but it is being lost as the security forces are perceived as an occupier rather than promoter and protector of peace. Whether business people, private citizen or IDPs, all stated the situation is precarious and the BDG encountered much more widespread pessimism about prospects for success. End Summary.

List of Incidents

¶2. (SBU) The list of incidents caused by the Karuna group was compiled by the EU Mission in Colombo from complaints received by international NGOs about various forms of interference in their work in the last 10 months. The report included 35 specific incidents of harassment by the Karuna

group in the east, 23 in Batticaloa and 12 in Ampara. While none of the incidents were in Trinco, the activities of TMVP in the other two districts signify the fragility of the situation and the disruptive influence of the paramilitary groups. The incidents included abductions of local staff, seizure of property, inappropriate requirements by Karuna cadres for NGOs to procure supplies from businesses affiliated with Karuna, threats, and inappropriate requests for details regarding the identity of local staff. The report also included 6 incidents of attempted forced recruitment of local staff of international NGOs in the LTTE-controlled Vanni area between June and November 2007.

¶3. (SBU) In handing over the report Wilson explained that it was not an exhaustive list and that the NGOs had declined to be named specifically in the report because of fears of possible repercussions on their local staff. Wilson noted that the report nonetheless illustrates the continued threat that the Karuna group poses to the operations of international NGOs in the east, and indeed to the government's own stabilization and reconstruction program in that region. Wilson told the Secretary that most NGOs believe that the primary motivation for many of these incidents was to generate income for the Karuna group.

Defense Secretary: Pillayan more inclined to work with GSL

14. (SBU) Secretary Rajapaksa admitted such incidents were still occurring, but noted that the government is making a concerted effort to stop them and has made progress. He said he had briefed the Cabinet about other NGO complaints on paramilitary activities, and had told them that the

COLOMBO 00001542 002 OF 004

government is willing to involve Karuna's political wing, the TMVP, in developing the east, but only as a political organization not a military one. Referring to the recent internecine fighting between members of the Karuna group who back Karuna and members who back Pillayan (Karuna's former top military commander), Rajapaksa said he had met with Pillayan the previous day to urge him to stop his illegal activities. He said Pillayan responded that the government is not doing a good enough job of restoring development and livelihoods at the grassroots in the east. Seeds, fertilizer, and other inputs were not reaching the farmers which was creating an opportunity that the LTTE already was exploiting to move back into the area. Rajapaksa acknowledged this needed to be corrected and said he would discuss the matter with his brother Basil. He also said he had been impressed with Pillayan's knowledge of local economic conditions and felt Pillayan was someone who could play a constructive role.

- 15. (SBU) Wilson commented that the bilateral donor group had met with the Major General in charge of Trincomalee who had been very clear with the Karuna factions that they must stay off the streets. However, the same could not be said for Batticaloa. Rajapaksa responded that this was true because the STF elite police units were still in charge of Batticaloa so he wanted to get the army more active. Rajapaksa promised to follow up with the military and the TMVP to stress the need to stop the harassment of international NGOs.
- 16. (SBU) Rajapaksa commented that he wanted to get Pillayan more involved as a Tamil representative in the east, noting that the government has had a difficult time identifying Tamil leaders to represent the Tamil community in ongoing discussions about the development of the east. Ambassador and Wilson told the Secretary that it would be very important for Pillayan or any other paramilitary official to renounce violence and other illegal activities before the U.S., EU and international NGOs could work with them. Rajapaksa said he had conveyed the same message as a precondition for them participating in government meetings.

- 17. (SBU) Turning to the report by the bilateral donor group BDG of their recent visit to Trinco. Wilson provided a summary of the report (see para 8) to the Secretary. He He told Rajapaksa that there is an opportunity for peaceful reconstruction in the east that is being lost. As a result the BDG encountered much more widespread pessimism from the inhabitants of the east about prospects for success. explained that the group had met with the army, a wide range of local government officials, local businessmen, and internally displaced persons. He said many had offered constructive suggestions on how the situation could be improved, all of which are outlined in the summary. W highlighted the need for improved civilian military relationships and suggested confidence building measures including meetings at all levels between military and civilian officials, community policing, and language training. Rajapaksa thanked Wilson for the report and said that hiring of Tamil police is a high priority. He revealed that 125 Tamil police officers had been recruited for Batticaloa and that they will be leaving for 2 months of training in India on November 15. Government would do the same for recruits for the Ampara and Trincomalee areas, he
- 18. (SBU) Following is the text of the BDG summary passed to the Secretary:

Trincomalee is clearly more peaceful than it was twelve COLOMBO 00001542 003 OF 004

months ago. However, after a period of relative optimism immediately after the LTTE was pushed out, the momentum has been lost and the mood the group found on the ground was rather down-beat. Few reported a positive outlook.

There is no overt ethnic re-engineering of Trincomalee and rumours of massive "new Sinhalese" settlements that the BDG heard about before our mission do not seem founded. However, there are numerous and highly visible examples of how ethnic relations between Sinhalese and the minorities are being inflamed rather than calmed. As a result, the GOSL is failing to win the hearts and minds of the Tamil and Muslim populations, despite the clear good intention of many in government and army.

Losing the war for the hearts and minds reopens the door to the LTTE. LTTE is already re-infiltrating and while it is not expected to grab and hold territory, hit-and-disappear style terrorism is expected to increase. The TMVP is more under control than in Batti, although its after-dark activities still need to be stopped.

A number of confidence building measures need to be undertaken if the trend is to be reversed and the opportunity offered some months back for Trinco,s future peaceful development is to be seized. These should be raised at CCHA as well as bilaterally. These can also be fed into aid programmes (eg. UN HCR confidence building programme developed with the Ministry of Disaster Management and Human Rights). Possible measures to be considered are:

- 1A. Implement a concrete program of language training to bridge the language gap between police and army (Sinhalese speakers only) and local Tamils and Muslims.
- 1B. Avoid provoking potential flash points such as replacing the Hindu temple with the Buddhist stupa in Eachchalampattu.
- ¶C. Now there is relative peace, appoint a civilian GA s he needs civil rather than military skills to "win the hearts and minds".
- ¶D. More frequent civil-military liaison meetings with local

communities, including private sector and NGOs, both by Major General at the high level but also at the local GN levels with local commanders. The lack of communication between the security forces, the business community, the local and international NGOs and the local population is contributing to a lack of trust between the parties and fueling misinterpretations of GoSL actions and intentions.

- 1E. Training in civil military relations for Navy and Airforce as army has done.
- 1F. Establish a system to seal trucks carrying goods from Trinco town to other villages in Trinco for local and international development and reconstruction projects (such as used by UN WFP food trucks going from Trinco into Wanni) so that, after a first inspection and sealing, delays can be avoided at the various intervening check-points.
- ¶G. There is an immediate and pressing need to address livelihoods of the newly resettled. The GOSL needs to expand access to farming areas (although night access to protect crops against elephant may be easing now) and relax night time fishing restrictions.
- The donor community should discuss the clear linkage between effectiveness of aid to the east and progress in APRC political devolution initiative. With no advance on political, how can aid be effective.

## COLOMBO 00001542 004 OF 004

- ¶I. Guiding Principles dialogue must be built on more to defend IDP and other citizens, rights. IDPs state that donors, NGOs and UN are the ONLY players sincerely safeguarding their interests (ie. they do not feel represented by state or parliament). This also underlines rationale for donors to remain in the East and not to pull out.
- 1J. The GoSL should be commended for the security force, s success in limiting the armed movements of TMVP during the day. However, additional measures are needed to interdict their night time criminal activities, extortion of businesses and pressure to utilize their suppliers, and open work (eg. in former LTTE area Eachchalampattu).
- 1K. Donors to World Food Program should discuss with GOSL the fact that access to food has been used as a weapon in the past against IDPs (ie. threat to not provide food to coerce people to return to places of origin). Concrete assurances are needed in order to ensure that IDPs which the GSL will be returning should be fully voluntary.
- ¶L. IDPs and others who have lost land should be offered the choice of fair financial compensation by the GoSL or free land so that they can choose where to resettle. Where army road building or other works deprive locals of land, there should also be compensation.

## Comment

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19. (C) The situation in the east remains very fluid, as the BDG report summary makes clear. The UK Government's recent detention of Karuna himself in London may perhaps present a window of opportunity to the Government to finally bring an end to the abductions, extortion and other illegal activities by paramilitary groups in the east. It is not yet clear whether Pillayan, a battle hardened former LTTE Commander with a history of human rights violations, is willing and able to play the constructive role that Secretary Rajapaksa believes he can play. Embassy will continue to follow this closely. Septel will provide a complete report on the BDG mission to Trincomalee.